Canadian Northern Economic Development Agency

2010–2011

Report on Plans and Priorities

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Minister's Message

August 18, 2009, marked a historic date for Northerners and all Canadians. The Prime Minister announced in Iqaluit, Nunavut, the creation of the Canadian Northern Economic Development Agency (CanNor). As Minister responsible for this new agency, it gives me great pleasure to present CanNor's first Report on Plans and Priorities.

The creation of CanNor is an important element of Canada's Northern Strategy in furthering the development of a strong and diversified economy for the benefit of those who live, work and support their families in the North, and indeed, for all Canadians. Its creation is a further demonstration of the Government's strategic commitment to an integrated approach in promoting economic development in the North. Among other important initiatives, a key commitment under Budget 2009 was to strengthen support for economic activity in the North. With the funding for the creation of CanNor, this commitment has been fulfilled; however, the work in fully realizing the economic opportunity and potential this engenders has only just begun.

As a distinct federal agency, CanNor is headquartered in Iqaluit. I would highlight and am proud to say that CanNor is the only federal organization with a head office in the North with regional offices in each of the three territories and Ottawa. The Northern Project Management Office, with its executive office in Yellowknife, was specifically created to facilitate and coordinate projects in the North.

CanNor will work with territorial governments, First Nations, Métis, Inuit and all stakeholders to harness the vision, strength and fortitude of Northerners.

The creation of CanNor is a major step toward unleashing the North's vast and true potential not only for the benefit of Northerners but also for the benefit of all Canadians.

The Honourable Chuck Strahl, P.C., M.P.
Minister of Indian Affairs and Northern Development,
Federal Interlocutor for Métis and Non-Status Indian and
Minister of the Canadian Northern Economic Development Agency

Section 1: Agency Overview

Summary Information

Raison d'être

The Canadian Northern Economic Development Agency (CanNor) was launched by the Prime Minister of Canada on August 18, 2009, in Iqaluit, Nunavut. The 2008 Speech from the Throne committed to establishing a new stand-alone agency focused on northern economic development, a key component under the government's integrated Northern Strategy. Canada's Economic Action Plan followed with a financial commitment of $50 million over five years, leading to the creation of the Agency.

CanNor's mandate is to promote economic development in Canada's three territories: the Northwest Territories, Nunavut and Yukon. It will deliver regional economic development programs in the territories, co-ordinate and serve as the regional delivery agent for certain national economic initiatives, develop related policy, conduct research, administer federal responsibilities in the North (such as official language minority communities and the Regional Federal Councils), and play an advocacy role to support effective program delivery and leverage federal involvement for the long-term prosperity of Northerners. In delivering its mandate, CanNor will help to open up business opportunities and create jobs while meeting specific development needs of the North.

Led by a President, who is also the Agency's Deputy Minister, CanNor operates as an independent federal department under Schedule I.1 of the *Financial Administration Act*. The Agency's interests and concerns are represented in Cabinet by the Minister of Indian Affairs and Northern Development. The Agency's work will be guided by evidence-based policy development and results-driven accountability.

Responsibilities

CanNor will fulfil the same role as other economic development agencies, including co-ordination and delivery of federal economic development activities at the regional level, as well as policy, research and advocacy. Specifically, the Agency will be responsible for:

- delivering, in the territories, economic development programs transferred from Indian and Northern Affairs Canada (INAC) and economic stimulus programs as part of Canada's Economic Action Plan. These include: Strategic Investments in Northern Economic Development, Aboriginal Economic Development, Canada Strategic Infrastructure Fund (sunsetting), Municipal Rural Infrastructure Fund (sunsetting), Community Adjustment Fund and Recreational Infrastructure Canada (sunsetting);
- establishing the new Northern Project Management Office;
- identifying opportunities for developing and improving skills of Canadians in the North in collaboration with Human Resources and Skills Development Canada;
- promoting official language minority communities through the delivery of the Economic Development Initiative under the *Roadmap for Canada's Linguistic Duality 2008–2013: Acting for the Future*; and
- providing a secretariat function for and co-ordinating the efforts of each of the three Regional Federal Councils in the territories.

CanNor is headquartered in Iqaluit, Nunavut, and has a strong presence throughout the North with regional offices in the three territories, as well as a liaison office in Ottawa. The executive office for the

Northern Project Management Office, a new initiative under the responsibility of CanNor, is located in Yellowknife, with an on-the-ground presence in Yukon and Nunavut. While the Iqaluit headquarters are being established, some of the functions are currently operating out of the Ottawa liaison office. These will be transferred to Iqaluit as staff is hired in the North and office space and staff accommodations become available.

As CanNor was only established in August 2009, the President and Agency staff will continue to build the foundational components for designing the organization, work that began in earnest in 2009–2010 and will continue in 2010–2011, although with a greater focus on implementation. Fiscal year 2010–2011 will mark a significant year for the Agency.

The Agency will continue to work closely with northern partners and stakeholder groups to ensure a meaningful and consistent program/service delivery approach that takes into account lessons learned and best practices, as well as the unique economic development needs of each territory.

In addition, the Agency will begin developing the capacity to play a strategic role in the alignment of all federal government economic development activity in the North as a means of facilitating and enabling development in the North.

Strategic Outcome and Program Activity Architecture (PAA)

The Program Activity Architecture (PAA) diagram below illustrates CanNor's framework of program activities and program sub-activities. This structure was proposed as part of CanNor's initial Management, Resources and Results Structure (MRRS) in pursuit of its mandate and to contribute to its strategic outcome of *developed and diversified territorial economies that support prosperity for all Northerners.* It is largely based on the structures of existing regional economic development agencies. It is expected that CanNor's MRRS and PAA will evolve in the coming years to better reflect the Agency's unique operating environment and special role in advocating for Northerners within the federal family.

Strategic Outcome	Program Activities	Program Sub-activities
1.0 Developed and diversified territorial economies that support prosperity for all Northerners	1.1 Business Development	1.1.1 Innovation and Knowledge
		1.1.2 Entrepreneurship
		1.1.3 Sectoral Development
	1.2 Community Development	1.2.1 Aboriginal Economic Development
		1.2.2 Community Adjustment
		1.2.3 Capacity and Skills Development
		1.2.4 Infrastructure
	1.3 Policy, Advocacy and Co-ordination	1.3.1 Policy
		1.3.2 Advocacy
		1.3.3 Co-ordination
	1.4 Internal Services	1.4.1 Governance and Management Support
		1.4.2 Resource Management Services
		1.4.3 Asset Management Services

Planning Summary

Financial Resources

The financial resources table below provides a summary of the total planned spending for the Agency for the next three fiscal years.

Financial Resources	2010–2011	2011–2012	2012–2013
($ thousands)	60,875	44,363	44,363

Human Resources

The human resources table below provides a summary of the total planned human resources for the Agency for the next three fiscal years. It is important to note that these figures may change with requirements that arise as the Agency establishes itself and its operations.

Human Resources	2010–2011	2011–2012	2012–2013
Full-time Equivalents (FTEs)	115	115	115

Strategic Outcome: *Developed and diversified territorial economies that support prosperity for all Northerners*

CanNor is in the process of developing its Performance Measurement Framework and identifying expected results, performance indicators and the targets it aims to achieve in pursuing its strategic outcome.

Program Activity	Forecast Spending 2009–2010	Planned Spending			Alignment to Government of Canada Outcomes
		2010–2011	2011–2012	2012–2013	
Business Development	$6,205,514	$6,156,483	$6,156,483	$6,156,483	Strong economic growth
Community Development	$38,164,456	$47,494,784	$30,983,628	$30,983,628	Innovative and knowledge-based economy
Policy, Advocacy and Co-ordination	$5,556,591	$5,472,676	$5,472,676	$5,472,676	
Internal Services	$1,774,961	$1,750,665	$1,750,666	$1,750,666	
Total Planned Spending		$60,874,608	$44,363,453	$44,363,453	

Contribution of Priorities to Strategic Outcome

Operational Priorities	Type*	Links to Strategic Outcome**	Description
Excellence in program delivery	New	SO1	*Why is this a priority?* • For the delivery of programs and services transferred to CanNor, it is crucial that clients experience a seamless transition and that northern people, businesses and communities continue to benefit from these programs. *Plans for meeting the priority?* • Maximize opportunities for knowledge sharing and transfer from existing staff to new hires. • Develop and maintain shared records and tools. • Continue to foster strong working relationships with partners and stakeholders.
Building a strong agency	New	SO1	*Why is this a priority?* • CanNor is the first federal department to be headquartered in Canada's North. • Ensuring a successful start-up is critical. *Plans for meeting the priority?* • Ensure that significant effort and appropriate resources are dedicated to be successful and fully operational in the North.
Building relationships with Northerners and federal government partners to promote a strategic approach to northern development	New	SO1	*Why is this a priority?* • There is a requirement to communicate CanNor's role and mandate and to ensure that partners and stakeholders are aware of the Agency's services and programs. • Over time, CanNor will need to play a strategic role in aligning and enabling economic development in the North. *Plans for meeting the priority?* • Implement the engagement strategy developed in 2009–2010: visit northern communities; continue the dialogue that began prior to the Agency's creation with stakeholders, partners and the target audiences; and engage with federal government partners on their priorities in the North. • Develop the capacity to leverage the strategic alignment and delivery of all federal government economic development interventions in the North.

Operational Priorities	Type*	Links to Strategic Outcome**	Description
Establish the Northern Project Management Office (NPMO)	New	SO1	*Why is this a priority?* • NPMO will be responsible for coordinating the work of federal regulatory departments and agencies during the environmental assessment and permitting phases of northern project development. • The NPMO will open its doors in 2010-2011. *Plans for meeting the priority?* • The executive office of the NPMO will be set up in Yellowknife. • Staffing actions will be undertaken to fill vacant positions. • Processes and procedures will be developed and implemented as well as a project tracking system. • The NPMO will establish criteria to identify potential projects warranting additional federal attention and need for federal coordination.

*All priorities are considered new because the Agency was established in August 2009. Fiscal year 2010–2011 will be its first full year of operation.
**The Agency has only one strategic outcome.

Management Priorities	Type*	Links to Strategic Outcome**	Description
Excellent internal management	New	SO1	*Why is this a priority?* • It generally takes three to five years to build a new public institution and be fully operational. • Taking measures to ensure a solid organizational foundation results in operational efficiency and effectiveness. *Plans for meeting the priority?* • Information management practices will be developed and implemented. • Corporate Secretariat services and procedures will be developed and implemented to ensure high-quality support to the Agency's senior management committee and the Minister. • Corporate policies and procedures will be developed and implemented. • An internal communications plan will be developed. • Progress with the implementation of the Agency's administrative systems will form an input to the Treasury Board Secretariat performance assessment framework, as part of the government's Management Accountability Framework.

Management Priorities	Type*	Links to Strategic Outcome**	Description
Excellent human resources management	New	SO1	*Why is this a priority?* • Employees are a critical CanNor asset. Working for an Agency in its infancy can be challenging at times, so the success of CanNor depends on employee engagement and continuity. *Plans for meeting the priority?* • Promote a corporate culture of excellence based on integrity, trust, respect and service. • Develop a human resources strategy in line with the renewal of the Public Service to identify current status, requirements and gaps, staffing priorities, and training requirements. • Develop innovative recruitment strategies to target Northerners. • Seek opportunities to encourage mobility between regional offices. • Develop clear performance management agreements linked to the Agency's priorities for all executives. • Require all staff to complete an employee performance management form and a learning plan.
Performance measurement	New	SO1	*Why is this a priority?* • Performance measurement ensures value for money and enables understanding and communication of program impacts. • A high-quality Performance Measurement Framework would meet the requirements of the Management, Resources and Results Structure Policy. *Plans for meeting the priority?* • Finalize CanNor's Performance Measurement Framework and ensure that performance measures are relevant and appropriate. • Develop a data collection strategy to effectively track data related to performance measurement. • Introduce a performance reporting process to track progress against established performance targets and support organizational decision-making. • Implement a high profile impact evaluation with respect to the adequacy of results achieved thus far in producing concrete progress in promoting northern development under the Strategic Investments in Northern Economic Development programs.

*All priorities are considered new because the Agency was established in August 2009. Fiscal year 2010–2011 will be its first full year of operation.
**The Agency has only one strategic outcome.

Operating Environment

Although the North has great economic potential, there are challenges to realizing northern economic development opportunities. The territories are far from markets and their physical infrastructure is underdeveloped. Existing resource knowledge and the tools for investment and management decisions are relatively limited when compared with southern jurisdictions. Northern organizations, businesses and workers face capacity challenges that hinder their ability to fully participate in, and benefit from, economic development. The economy is mainly concentrated in the mining and the oil and gas sectors. Volatile commodity prices and the global economy can significantly affect non-renewable resource development. It is important for the North to diversify and foster growth in other economic sectors such as tourism, small businesses and cultural industries. Strong, ongoing federal investments in building infrastructure, knowledge and capacity are essential if the territories are to be able to continue their emergence as an area of dynamic economic activity.

CanNor's operating environment is shaped by unique demographic and geographic challenges. Aboriginal populations are young and increasing twice as fast as the Canadian population overall. With higher unemployment rates than other Canadians, this is an ideal time to be focusing on economic development opportunities, skills and capacity building, and job creation in the territories. Innovative programs and services will need to be developed to meet the unique and specific needs of Northerners and Aboriginal people.

Approximately 100,000 Northerners live in the three territories; many are in the capitals with the rest spread out in small, often remote, communities. More than 40% of Northerners are under 25 years old, compared with 30% in the rest of Canada. More than half of Northerners are Aboriginal, with strong ancestral ties to the land; each territory, however, has a distinct distribution of Aboriginal and non-Aboriginal residents. Each territory is also unique in terms of geography, natural resources potential and governance structure.

A snapshot of each territory provides further understanding of the Agency's operating environment.

Nunavut

- Population of 30,000 with 85% Inuit living in 26 fly-in communities spread over three time zones.
- Consensus-style territorial government.
- It is the least developed territory with no road infrastructure and very high transportation costs.
- The economy is largely based on government and traditional harvesting but with significant growth potential in the natural resources sector (e.g., mining).
- A single comprehensive land claims agreement covers the entire territory.
- The territory relies exclusively on satellite networks for its bandwidth needs. The high cost of operating satellite-based services creates significant accessibility challenges.
- Although it has the longest shoreline of any province or territory in Canada, and all but one of its communities are on the coast, Nunavut has little marine infrastructure.

Northwest Territories

- Population of 43,000 with 50% Aboriginal (First Nations, Inuit and Métis) spread over 34 communities. Non-Aboriginal population is concentrated mostly in Yellowknife and larger communities.
- Consensus-style territorial government; the 50-50 split between Aboriginal and non-Aboriginal population creates a complex political dynamic.
- Economy built on government and natural resources with major projects under way and planned (e.g., diamonds, oil and gas, and a potential Mackenzie Valley natural gas pipeline).
- The regulatory environment is complex.
- Although improving with recent significant investments, transportation infrastructure is still underdeveloped.
- There are four settled comprehensive land claims agreements and one self-government agreement in the Northwest Territories. Claims are still being negotiated in the southern part of the territory.

Yukon

- Population of just over 34,000 with 23% being First Nations. More than 70% of the population is in Whitehorse.
- Only territory with party-based politics. There is a complex political model emerging between the territorial government and 14 First Nations, 11 of whom have settled land claims and self-government agreements.
- Road and community infrastructure is well developed.
- It has the most diversified economy of the three territories, led by government employment, tourism and mining.

Risk Analysis

In 2010–2011, CanNor will develop a comprehensive corporate risk profile as part of its risk management system to help strengthen the decision-making process within the Agency and inform the focus of control mechanisms, such as the internal audit and program evaluation functions.

In the short term though, creating an agency while simultaneously implementing its mandate and effectively delivering on programs in place is very challenging and involves some risks.

First, setting up the headquarters in Iqaluit is not without risk. The headquarters offices need to be fully operational as soon as possible. However, there is currently not enough office space to accommodate the organization nor is there sufficient available housing for staff coming from other regions of the country. CanNor officials are working closely with Public Works and Government Services Canada to ensure that new office and housing accommodations are built as soon as possible. In the interim, employees are working out of INAC offices. The target is to move into a permanent location by the end of 2010–2011. Transportation and construction challenges could push the date back. To mitigate this risk in the short term, agency functions will be transferred to Iqaluit as staff and office space become available.

A second challenge while the Agency is being established will be ensuring that program funding is spent effectively to create the greatest benefits for the people, communities and businesses in the North. This challenge will include reviewing the appropriateness of key components of program design in a specifically northern context. This review will be done in consultation with partners and stakeholders and focus on evidence-based policy development as to what is needed and "what works" in meeting such needs. Program design will also address evidence with respect to potential risk areas involved and developing risk-mitigation responses. In parallel, as part of the operational implementation of programs, risks will be critically assessed and addressed at the individual project proposal stage. Program implementation will also proceed in the context of fostering strong ongoing working relationships with partners and stakeholders, and through developing a robust, timely performance measurement system focused on results-driven accountability.

Third will be CanNor's ability to attract and retain qualified staff. The Agency was created to deliver economic programs and services in the three territories. Given that the mandate is completely focused on the North, it is essential to fill as many positions as possible with Northerners and comply with employment requirements included in land claims agreements. As the majority of positions will eventually be in the territorial capitals, it will be challenging to attract and retain qualified staff for two reasons. First, one of the biggest challenges facing current employers in the North is recruitment. Territorial governments and other federal departments are all competing for the same limited qualified labour force. The second challenge is to attract people from other regions of the country to relocate to the territories when positions cannot be filled locally. To respond to these challenges, CanNor will develop innovative human resources strategies that:

- focus on skills development and training programs;
- foster a climate of mobility within the organization; and
- ensure positions are classified to promote maximum accessibility and flexibility and employment opportunities for targeted groups.

A fourth risk that has been identified for the reporting period is meeting stakeholder expectations. Although it is expected that existing programs will be delivered effectively and in a timely manner, the Agency's ability to modify and enhance those programs, to develop new program proposals and to potentially take on additional responsibilities will depend on its ability to build internal capacity and the availability of human and financial resources.

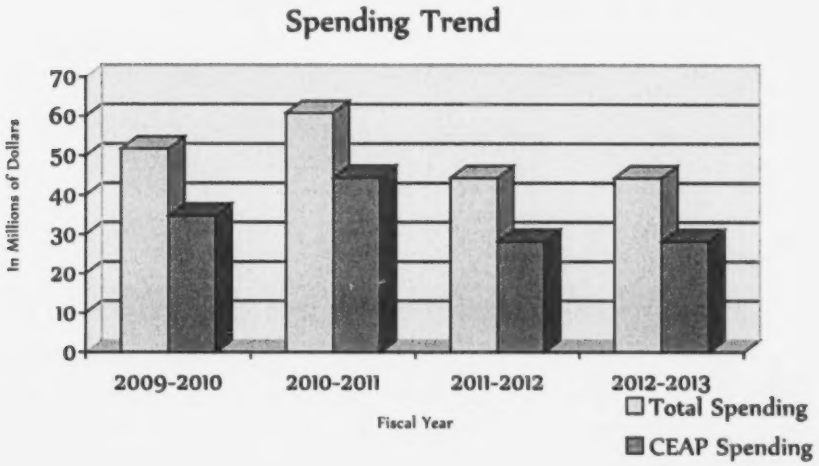
For example, expectations are high that the new Northern Project Management Office (NPMO) will be able to significantly improve the effectiveness of the regulatory system in the North immediately on opening its doors. The NPMO will benefit from the experience of and lessons learned from Natural Resources Canada's Major Project Management Office, which provides a similar function for major natural resources projects in the provinces. The NPMO will also build on the advice arising from regulatory improvement initiatives. CanNor will manage expectations by ensuring ongoing open dialogue with stakeholders, strong collaboration between federal departments and agencies, and clarification and differentiation of CanNor's role from the role of Indian and Northern Affairs Canada.

The logistics of operating in the North while maintaining a presence in Ottawa to promote northern economic issues within the federal family will also be challenging.

Expenditure Profile

For 2010–2011, CanNor plans to spend $61 million to meet the expected results of its program activities and contribute to its strategic outcome.

The figure below illustrates CanNor's spending trend from 2009–2010 to 2012–2013. Because CanNor was created in 2009–2010, no historical spending data exists for the Agency. Spending allocated from Canada's Economic Action Plan (CEAP) is reflected in the total spending but also shown separately.



Canada's Economic Action Plan

As part of its overall expenditure profile, CanNor is responsible for the delivery of three federal funding initiatives in the territories under Canada's Economic Action Plan:

- Strategic Investments in Northern Economic Development;
- Recreational Infrastructure Canada; and
- Community Adjustment Fund.

Strategic Investments in Northern Economic Development

Strategic Investments in Northern Economic Development (SINED), which was renewed for five years as part of Canada's Economic Action Plan, is a suite of contribution programs for projects across the North. Investment decisions are guided by five-year territorial investment plans, which are developed through engagement with northern stakeholders and territorial governments and approved by the Minister of Indian Affairs and Northern Development. The suite of programs was renewed as part of Canada's Economic Action Plan at $90 million over five years, split equally among the three territories, from 2009–2010 to 2013–2014.

To ensure maximum value for money, an evaluation focusing on progress to date in achieving concrete impacts under SINED will be undertaken, along with an assessment of the future potential for progress and the time requirements involved. As part of this, the evaluation will proceed based on an assessment of the progress and experience of other countries with territories bordering on the North in addressing the developmental problems involved.

Expected Result	Key Performance Indicators
Increase uptake of economic opportunities in existing, expanding and emerging sectors	• Number of projects approved according to priorities in territorial investment plans • Amount invested according to priorities in territorial investment plans

Recreational Infrastructure Canada

Recreational Infrastructure Canada (RInC) is a two-year national infrastructure funding program, ending on March 31, 2011, that supports the rehabilitation and repair of recreational infrastructure. Announced as part of Canada's Economic Action Plan, RInC provides $567,000 in funding specifically for the three territories. Some projects in the territories are also being funded under the $325 million set aside to be distributed according to the merit of applications received from across Canada.

Expected Result	Key Performance Indicators
Improved recreational infrastructure in northern communities	• Amount leveraged on federal RInC investments • Number of RInC projects funded • Number of jobs created

Community Adjustment Fund

The Community Adjustment Fund (CAF) is a new two-year program announced in Canada's Economic Action Plan, ending on March 31, 2011. It is designed to provide economic stimulus to create employment opportunities and to address transitional and adjustment challenges in restructuring communities. It provides $32.8 million in funding for the territories.

Expected Result	Key Performance Indicators
Improved economic conditions in communities	• Number of projects approved • Amount leveraged on federal CAF investments • Number of jobs created

Voted and Statutory Items

($ thousands)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2009–2010 Main Estimates*	2010–2011 Main Estimates*
37	Operating expenditures	13,689	13,679
39	Contributions	21,054	45,812
(S)	Contributions to employee benefit plans	1,383	1,383
(S)	Community Adjustment Fund	15,575	0
	TOTAL	51,702	60,875

*Main Estimates can be found at www.tbs-sct.gc.ca/est-pre/index-eng.asp.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome

CanNor has one strategic outcome:

> *developed and diversified territorial economies that support prosperity for all Northerners*

This strategic outcome reflects CanNor's important role in encouraging investment, innovation and diversification of the territorial economies.

CanNor is developing its Performance Measurement Framework as part of its Management, Resources and Results Structure and identifying the performance indicators and targets for each program activity. This exercise is extremely important as it will give CanNor a way to measure and communicate its performance results. Preliminary expected results are provided for each program activity to indicate what the Agency expects to achieve in the pursuit of its mandate with its allocated resources.

Program Activities

Program Activity 1: Business Development

Expected Results:

- Increased number of Northern and Aboriginal businesses
- Strengthened Northern innovation and technology capacity and increased knowledge base
- Northern and Aboriginal entrepreneurs have increased access to funding
- Increased uptake of economic opportunities in existing, expanding and emerging sectors

Human Resources (FTEs) and Planned Spending ($ thousands)					
2010–2011		2011–2012		2012–2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
14	6,156	14	6,156	14	6,156

Through this program activity, CanNor will support the growth and expansion of northern businesses, including small and medium-sized enterprises, through training, advisory services, and grants and contributions. The program activity's objective is the encouragement of a competitive, diverse northern business sector with a strengthened capacity for innovation. CanNor's flagship program under this program activity is the Strategic Investments in Northern Economic Development (SINED). This program contributes funding, as well as other forms of support to the development of proposals that aim to strengthen economic drivers, diversify the economy, increase the participation of Northerners in the marketplace and improve the co-ordination of federal programs. The program works with the territorial governments, Aboriginal organizations and the not-for-profit sector to promote economic development in the North.

CanNor will implement this program activity through the following sub-activities:

- Innovation and Knowledge;
- Entrepreneurship; and
- Sectoral Development.

Planning Highlights

To achieve the expected results for this program activity, the Agency plans to undertake the following activities:

- Funding under SINED will more than double in 2010–2011 from 2009–2010 levels of $8,157,000, with an extra $10 million for each of the remaining years of the program. Investments under SINED are guided by territorial investment plans that were approved by the Minister of Indian Affairs and Northern Development in August 2009. These plans are specific to the needs of each territory and target key economic development sectors such as geoscience, tourism, cultural industries, economic infrastructure, mining, oil and gas development, forestry, renewable energy, small and medium-sized enterprises, commercial and traditional harvesting, and capacity development.

- CanNor will explore business development opportunities for women living in the territories and for small businesses.

- CanNor will explore initiatives geared toward encouraging, developing and promoting youth entrepreneurship.

Benefits for Canadians

CanNor will contribute to ensuring a stronger, more dynamic economy for northern families and businesses. It will ensure that economic opportunities generated by northern projects, including spin-off projects, are available to Aboriginal people. Directly empowering northern workers and businesses to take advantage of the resources and opportunities available across the territories will help Northerners prosper. All Canadians will benefit from the increased independence and diversification of the expanding territorial economies. By fostering sustainable, collaborative relationships with all stakeholders, CanNor supports the region's growing economy and helps the North fulfil its tremendous potential — an undertaking that serves the interests of Canada and all its citizens.

Program Activity 2: Community Development

Expected Results:
• Increased sustainability and well-being of northern communities • Increased economic development benefits and opportunities for Aboriginal communities • Improved employment conditions within communities with accompanying quality of life benefits • Northern communities benefit from improved infrastructure

Human Resources (FTEs) and Planned Spending ($ thousands)					
2010–2011		2011–2012		2012–2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
29	47,495	29	30,984	29	30,984

Through this program activity, CanNor will support:

- proposals from First Nation, Métis and Inuit entrepreneurs in the North, as well as from northern communities, Aboriginal businesses and financial organizations;
- community-level investments in infrastructure and organizations; and
- individual-level investments in skills and capacity development.

The program activity's objective is the establishment of economically sustainable northern communities with a higher quality of life for residents. It will support economic development and diversification initiatives that help communities sustain their economies and adjust to changing and challenging economic circumstances.

As part of this program activity, CanNor will also support the delivery of Human Resources and Skills Development Canada (HRSDC) skills training programs in the North. This will include partnerships and projects under HRSDC-administered funds such as the Aboriginal Skills and Training Strategic Investment Fund and the Aboriginal Skills and Employment Partnerships program. Initiatives will also include research and analysis of skills-related gaps and opportunities.

CanNor will implement this program activity through the following sub-activities:

- Aboriginal Economic Development;
- Community Adjustment;
- Capacity and Skills Development; and
- Infrastructure.

Planning Highlights

To achieve the expected results for this program activity, CanNor plans to undertake the following activities:

- CanNor will continue to work with the territories to identify eligible projects for funding and negotiate the related contribution agreements.
- CanNor will work to maximize benefits to communities under the Community Adjustment Fund (program ends March 31, 2011).
- CanNor will work closely with Aboriginal governments and organizations to understand and respond to the economic development needs of these groups in accordance with the new Federal Framework for Aboriginal Economic Development.
- CanNor will implement in the North Canada's strategy for official languages, the *Roadmap for Canada's Linguistic Duality 2008–2013: Acting for the Future*. It will provide support for official language minority communities in the territories.
- For all existing and new economic development programs, CanNor will seek to fully integrate a capacity and skills development component.
- CanNor will continue its collaboration with Infrastructure Canada and the other regional development agencies to improve the delivery of national infrastructure programs. CanNor will initiate discussions with Infrastructure Canada about the possibility of the Agency taking on the delivery of additional infrastructure funding programs.

Benefits for Canadians

This program activity contributes to the development of strong and economically vibrant communities that, in turn, contribute to more balanced, diversified growth conditions for Canada as a whole. Through CanNor's investments, communities have more economic opportunities and increased capacity to respond to challenges. To maximize leverage, CanNor is developing the capacity to work with territorial governments, Aboriginal organizations and community leaders on integrating, as a "single window," all federal programming and horizontal initiatives in the North.

Program Activity 3: Policy, Advocacy and Co-ordination

Expected Results:

- Policies, programs and initiatives that are effective, strengthen the northern Canadian economy and enable Northerners to access business and community development opportunities
- Increased consideration of northern business and community development interests in federal economic policies, programs and regulations
- Development of partnerships and co-ordination of partners in addressing northern economic priorities
- Better access to federal government economic development opportunities for northern communities, individuals and businesses
- Northern projects managed through a co-ordinated whole-of-government approach
- More efficient and effective program delivery with exclusive northern focus

Human Resources (FTEs) and Planned Spending ($ thousands)					
2010–2011		2011–2012		2012–2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
31	5,473	31	5,473	31	5,473

Through this program activity, CanNor will support research and analysis to provide evidence-based programming and policy choices, the promotion of northern interests both inside and outside the federal government, the development of horizontal strategies, initiatives and projects to address economic development challenges in the North, the co-ordination of federal responsibilities throughout the regulatory cycle of resource development projects, and close collaboration with key players to improve northern economic development.

This program activity ensures that the Agency has the information and understanding needed to provide a balanced, regionally sensitive approach that addresses northern priorities, maximizes the Agency's effectiveness, and supports the development and implementation of CanNor strategic directions and priorities.

Planning Highlights

To achieve the expected results for this program activity, the Agency plans to undertake the following activities:

- The Northern Project Management Office (NPMO), with its executive office in Yellowknife, has been established as a core program within CanNor. Opening its doors in 2010–2011, this new program will co-ordinate the work of all federal players involved in natural resources development projects in the three territories and in the northern offshore, and co-ordinate Aboriginal consultation efforts. It will employ a phased approach to start-up and is expected to be operational in the first half of the fiscal year, providing basic co-ordination services. In the longer term, the NPMO will have a role in identifying systemic issues in regulatory processes for consideration and resolution through regulatory improvement initiatives.

- The NPMO is currently taking on a policy, advocacy and co-ordination role by lending a northern voice to the Natural Resources Canada's Major Project Management Office, which identified short-term and long-term actions to improve the regulatory system and implement a whole-of-government approach to Aboriginal consultations.

- In its co-ordination sub-activities, the NPMO will track the progress of northern projects in its portfolio through the entire life-cycle of the project. Project milestones and progress will be maintained on a publicly accessible database. The NPMO will also hold the Crown record of consultations for projects it manages.

- CanNor will implement its engagement strategy and marketing and outreach strategy to ensure ongoing stakeholder engagement. In engaging with Northerners, CanNor will further tailor its activities and programs to the unique needs of the North and differing circumstances in each territory.

- The Agency will work on developing its strategic policy function, which may include: policy research and analysis in support of policy advice and new initiatives; conducting economic research and analysis and monitoring economic issues on an ongoing basis; advocating northern interests within the federal government; and developing the capacity to facilitate and enable the alignment of key federal government economic development activities in the North.

- CanNor will create an annual forum to bring together the senior leadership of the three Regional Federal Councils in the territories to discuss strategic issues and priorities common to the three territories and to foster collaborative working relationships. A key issue to address in 2010–2011 is the capacity-building challenges faced by organizations operating in the North.

Benefits for Canadians

Through this program activity, CanNor ensures that key federal players can better align their economic development activities in the North and become better aware of northern issues. CanNor also ensures that Northerners are able to access and participate in federal programs through a single window. As a result, the North — and Northerners — will be more likely to benefit from federal and joint federal–territorial policies and programs that are relevant to the region's economic opportunities and challenges. The resulting stronger regional economy will benefit all of Canada.

Program Activity 4: Internal Services

Human Resources (FTEs) and Planned Spending ($ thousands)					
2010–2011		2011–2012		2012–2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
41	1,751	41	1,751	41	1,751

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: management and oversight services; communications; ministerial support services; legal services; human resources management services; financial management services; information management services; information technology services; real property services; materiel services; acquisition services; travel; and other administrative services.

CanNor is a new organization and much of the focus in its first 18 months in operation will be to further develop its internal services capacity to ensure that CanNor effectively and efficiently delivers on its mandate. To the largest extent possible, the Agency will procure its corporate services rather than developing the capacity in-house. Proper planning and execution of internal services will facilitate the standing up of the organization and its transition to a fully operating agency.

CanNor will continue to develop internal policies, strategies and plans to ensure compliance with applicable legislation and government policies in areas such as human resources, procurement, occupational health and safety, diversity, official languages, and audit and evaluation.

Section III: Supplementary Information

Supplementary Information Tables

All electronic supplementary information tables found in the 2010–2011 Report on Plans and Priorities can be found on the Treasury Board of Canada Secretariat's website at www.tbs-sct.gc.ca/rpp/2010-2011/info/info-eng.asp:

- Details on Transfer Payment Programs (TPPs);
- Green Procurement; and
- Upcoming Internal Audits and Evaluations over the Next Three Fiscal Years.

For More Information

As CanNor establishes its offices, you can direct general enquiries by e-mail to:

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